

OPENING A NEW BUSINESS IN THE TOWN OF BLACKSBURG



**A guide to tax and
license requirements
that may apply to you**

BUSINESS LICENSE TAXES

Business License Tax

The Director of Financial Services assesses Town of Blacksburg license taxes which are levied on the basis of gross receipts on businesses operating in the Town of Blacksburg. Delinquent taxes must be paid before the business license can be issued. You must file an application by January 31 and pay the license tax by March 1 each year. A new business must obtain a license within 30 days of the date it begins business in the Town of Blacksburg.

Business License

300 South Main Street • Blacksburg, VA 24060
(540) 961-1108

Solicitors, Itinerant Merchants and Peddlers

Must obtain Town of Blacksburg license immediately and prominently display this license. (Same address as above.)

Department of Health Permit

To obtain a permit, contact:

Montgomery County Health Department

210 Pepper St., Ste. A • Christiansburg, VA 24073
(540) 381-7100

Zoning Requirements for a Certificate of Use

The Zoning Ordinance allows businesses of various kinds to be located in some areas, but not others. Special use permits are required for certain businesses, and there are many areas in which no businesses of any kind are allowed. If you work out of your residence, you may qualify for a home occupation permit. If you have any doubts at all whether the Zoning Ordinance allows you to operate your business where you plan to operate it, contact:

Planning and Engineering Department

300 S. Main St. • Blacksburg, VA 24060
(540) 961-1126

For information about any Federal tax, contact:

Internal Revenue Service, Poff Federal Building
210 Franklin Road • Richmond, VA 24011

1-800- 829-1040 (Assistance)

1-800-829-3676 (Tax Forms)

FEDERAL TAXES

Federal Employer Identification Number

Employees are required to obtain a Federal Employer Identification

Number (EIN). To apply for the number, file Federal Form SS-4, which can be obtained from any office of the Internal Revenue Service. Sole proprietors must obtain an EIN if they pay wages to one or more employees or if they file an excise tax return.

Employee Income Taxes

Employers are required to withhold Social Security (FICA) taxes from the wages of employees and are liable for the tax whether or not they have been collected. Employers are required to withhold income tax. The taxes should be filed quarterly on Federal Forms #941 and deposited in any authorized bank with coupon #8109 (or electronically deposited).

Individual, Partnership, and Corporate Income Tax

Individual, partnership, and corporate income taxes must be filed with the Internal Revenue Service. IRS Publication #334 "Tax Guide for Small Businesses," discusses the various federal tax requirements in more detail.

Federal Unemployment Tax

This federal tax, also known as FUTA, is assessed on the employer only. An annual tax return, Form #940, must be filed by January 31. Quarterly deposits can be made to any authorized bank using coupon #8109 (or electronically deposited).

Virginia Unemployment Tax

Virginia, in addition to the federal government, levies a tax on employees' wages. The tax is paid by the employer into a state fund from which unemployment benefits are paid.

Virginia Employment Commission

5060 Valley View Blvd. NW • Roanoke, VA 24012
(540) 561-7525 (Unemployment)

Workers' Compensation

Any employers who have three or more regular employees are required to furnish workers' compensation insurance coverage at no cost to the employees. The insurance may be purchased through a private insurance company or the employer can apply to be self-insured to:

Virginia Worker's Compensation Commission

1000 DMV Dr. • Richmond, VA 23220
(804) 367-8600

VIRGINIA TAXES

Retail Sales Tax

For the privilege of making retail sales in Virginia, a seller is subject to a sales tax imposed on the gross receipts from

retail sales of tangible personal property. The seller collects the tax from the customer by separately stating the amount of the tax and adding it to the sales price or charge. Retail sales are defined as sales to a consumer or to any person for any purpose other than for resale. *The tax rate is 4.5 percent (3.5% state and 1% local tax).* Every individual, partnership, corporation, etc. engaged in business as a retail dealer in Virginia must register with the Department of Taxation to obtain a Certificate of Registration. Dealers must also collect the retail sales tax. Reports must be filed and the tax paid monthly or quarterly depending upon the volume of business.

Corporate & Employees' Income Tax Withholding

For further information about Virginia income taxes for partnerships or corporations and withholding taxes on employees' income, contact the Roanoke District Office:

Virginia Department of Taxation
3033 Peters Creek Road • Roanoke, VA 24019
(540) 562-3510

MISCELLANEOUS LOCAL TAXES

Prepared Food and Beverage Tax

Every restaurant, caterer, convenience store, grocery delicatessen, etc. engaged in the business of selling prepared food in the Town of Blacksburg must register with the Director of Financial Services, collect the tax and file the appropriate returns on a monthly basis. The tax rate is 4% of the total cost of the prepared food.

Transient Occupancy Tax

Every hotel, motel, tourist home, or other lodging place that, for compensation, furnishes lodging to any person on a transient basis (30 consecutive days or less) must collect the appropriate transient tax. Those entities collecting such a tax are required to register with the Town of Blacksburg and file the appropriate returns on a quarterly basis. The tax rate is 4% of the hotel/motel bill.

Utility Tax

Town of Blacksburg levies a utility tax on users of gas, cable, electricity, and telephone services. This tax is shown on the respective utility bill and is collected by the utility company. Utility companies should contact:

Director of Financial Services
300 South Main St. • Blacksburg, VA 24060
(540) 961-1100

REGISTRATION/STATE REGISTRATION

Register A Trade Name

Trade Names must be registered with:

Clerk of the Circuit Court
P.O. Box 209 • Christiansburg, VA 24073
382-5760

Register a Corporation or Limited Partnership

All corporations (foreign and domestic) and limited partnerships conducting business in Virginia must register with the Virginia State Corporation Commission. To become incorporated in Virginia, an organization must file trade names, DBA's, articles of incorporation and amendments with:

State Corporation Commission
P.O. Box 1197 • Richmond, VA 23209
(804) 371-9672
Virginia Registered Agent
(804) 371-9733

State Contractors License

All contractors who bid upon or undertake single jobs of \$1,000.00 or more must register with the State Board of Contractors. (Class A - \$70,000.00 or more; Class B - \$7,500.00 - \$70,000.00; Class C - \$1,000.00 - \$7,500.00)

Board of Contractors
3600 West Broad Street • Richmond, VA 23230
(804) 367-8511
Expor Assessment
1-800-356-3381

Alcoholic Beverage License

The Virginia Department of Alcoholic Beverage Control exercises a monopoly over the importation and sale of alcoholic beverages other than beer and wine. Licenses are issued for the manufacture or liquors, the wholesaling of beer and wine, the sale of beer and wine and the sale at retail of spirits by the drink.

Virginia Department of Alcoholic Beverage Control
102 Abingdon Place • Abingdon, VA 24211
(540) 676-5502

BUSINESS INFORMATION SOURCES

Agriculture & Consumer Services Dept ... (540) 857-7344
Blue Ridge Business Development Ctr..... (540) 983-0717
Business Technology Center..... (540) 231-2730
1900 Kraft Dr., Ste.102-A Blacksburg, VA 24060
Department of Criminal Justice..... (804) 786-4700
Department of Game & Inland Fisheries... (540) 857-7704
209 E. Cleveland Ave. Vinton, VA 24179
Export (International Trade)..... (540) 857-6028
Fire Department..... (540) 961-1175
Licensing & Titling of Motor Vehicles..... (540) 381-7171
Department of Motor Vehicles - DMV
385 Arbor Drive Christiansburg, VA 24073
Montgomery Regional Solid Waste..... (540) 381-2820
555 County Road Christiansburg, VA 24073
Patent/Trademark..... (703) 308-4357 or 1-800-786-9199
Utility Department..... (540) 961-1119
VDOT..... (540) 387-5320
VPI Extension Service..... (540) 772-7524

OTHER INFORMATION SOURCES

Better Business Bureau..... 1-800-533-5501
31 W. Campbell Ave. Roanoke, VA 24011
Child/Adult Care..... (540) 857-7920
Small Business Administration (SCORE) (540) 857-2834

Chamber of Commerce

Blacksburg Regional..... (540) 552-4061
1995 S. Main St. Ste. 901 Blacksburg, VA 24060
Christiansburg/Montgomery County..... (540) 382-4251
P.O. Box 6418 Christiansburg, VA 24068

Economic Development Office

To assist in the relocation of, and attraction of a new business and industry to the Town of Blacksburg, this office provides demographics and site requirements of the Town Blacksburg.

Marc A. Verniel
Assistant Town Manager
300 S. Main St. Blacksburg, VA 24060
(540) 961-1130